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Published in:
Development Briefs. Policy

Publication date:
2009

Document version
Early version, also known as pre-print

Citation for published version (APA):
Hansen, C. P., Lund, J. F., & Treue, T. (2009). Why REDD will be neither fast, nor easy: the example of Ghana. *Development Briefs. Policy*, (8), 1-4.



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Why REDD will be neither fast, nor easy: The example of Ghana

Introduction

REDD (Reducing Emissions from Deforestation and forest Degradation) is typically portrayed as a quick and cost-effective means to reduce carbon dioxide emissions. This is to be achieved through transfer payment schemes that compensate agents for refraining from deforestation and forest degradation. REDD readiness activities establish the basis for the implementation of such schemes. Readiness activities include reforms of forest legislation and land tenure,

clarification of different actors' roles and responsibilities, establishment of carbon stock monitoring schemes as well as capacity building and awareness-raising. They are generally assumed to be implemented quickly, typically over a five year period.

Based on a detailed case study of the causes of deforestation and forest degradation in Ghana, we question whether REDD will be that fast and easy. The study focuses on the High Forest Zone,



Policy Conclusions

- Multiple factors cause deforestation and forest degradation in Ghana. Yet, those targetable under REDD readiness activities are largely forest governance related and include: low forest fees, biased allocation of timber rights, a log export ban and biased sharing of timber revenues as well as low enforcement of harvesting rules and rules protecting farmers' rights.
- The governance factors that promote deforestation and forest degradation also favour the political and administrative elite. Consequently, deforestation and forest degradation is hardly caused by lack of information, ignorance or low capacity.
- To be effective, REDD reforms in Ghana will challenge elite interests. Accordingly, the implementation of such reforms will be neither fast, nor easy.
- Countries sharing key characteristics with Ghana, notably a highly centralised forest governance regime, are likely to face similar challenges in REDD implementation. Donor-led efforts to quickly »streamline« national legislation and enhance rule enforcement capacity under REDD readiness programmes are generally doomed to fail because they are unlikely to fundamentally change the incentives structures that promote deforestation and forest degradation.
- Rather than supporting another round of apparent forest sector reforms that do not change control over forest resources or forest revenues, donors should support in-depth studies of underlying causes of deforestation and forest degradation. The results of such studies could, in combination with pilot REDD activities, serve as basis for a broad-based policy dialogue. This will be time consuming but may ultimately result in more effective means of reducing deforestation and forest degradation.

the southern-most one third of Ghana, which hosts the country's remaining tropical high forest resources. The governance regime is highly centralised and all natural timber resources are under the authority of the national Forestry Commission. Official timber revenues are collected by the Forestry Commission, which, through a benefit sharing scheme, redistributes a (modest) share to the land owning local communities, the Stools.

Results

Causes of deforestation and forest degradation

In line with results of research elsewhere, we find that multiple factors underlie deforestation and forest degradation in Ghana, c.f. Table 1. Some are within the forestry sector (e.g. low level of rule enforcement and low fees), while others relate to broader changes at the national (e.g. urbanisation, population growth) and international level (e.g. demand for cocoa, timber and minerals). REDD will be confined to forestry sector causes, because many of the other causes relate to complex social and economic patterns, nationally and internationally that, realistically, cannot be properly addressed under a national REDD programme. Thus, in Ghana REDD is essentially an issue of forest governance.

These policy failures have persisted for decades; some in direct conflict with official policies and irrespective of various reform efforts. Why? Our analysis suggests that they favour the

political and administrative elite by securing political support and/or personal enrichment. They are not the result of lack of information, ignorance, or lack of capacity, notwithstanding that these factors implicitly underlie much of the REDD debate. From the perspective of the political and administrative elite they are not policy failures, but arrangements that successfully serve particular interests. Our analysis, summarised in Figure 1, emphasises the political control over access to, and price of, standing timber through discretionary allocation of formal timber rights and low official forest fees. This creates rent-seeking opportunities for favoured timber firms, who come to owe their fortunes to the political and administrative elite. The windfall profits earned by the wood processing sector provide a basis for political and financial kickbacks to those in charge of timber rights allocation and forest fee setting. Yet, low forest fees result in minimum payoff to rural communities thus undermining their incentives to engage in conserving timber resources on their land.

All formal timber rights are allocated to conventional timber firms, which are predominantly export oriented. Production of lumber by chainsaw operators for the domestic market was criminalised by a ban in 1997, but has continued unabated. The ban is not enforced because denying urban citizens' access to lumber, while maintaining a sizeable export, would be politically suicidal. This policy has resulted in a timber harvest that is at least four times the sustainable level.

Governance reforms under REDD

To be effective REDD readiness activities must focus on reforms that remove the political and administrative elite's discretionary powers over timber rights allocation and resource pricing and enhance regulatory compliance. Such reforms would run counter to national growth objectives since reducing the timber harvest would take away employment opportunities in the wood processing sector and reduce foreign exchange earnings. REDD payments could potentially soften such negative effects, but the uncertainty about how much money Ghana would actually get after a period of readiness is likely to make politicians reluctant to implement reforms during the readiness phase. Moreover, reforms would also curb the political and personal benefits that members of the political and administrative elite derive from the resource.

REDD payments are likely to come under close national and international scrutiny and is thus not necessarily an attractive alternative to the unofficial timber revenues that the political and administrative elite currently enjoys. Although degraded, we suggest that Ghana's timber resource is yet to reach the point where the political economy loses steam entirely, and where the negative impacts of deforestation and forest degradation are severely felt by the average Ghanaian, e.g. in the form of declining lumber supply or sharply increasing prices. This point reached, there will be mounting demands for reforms, and few reasons for policy-makers not to implement them; REDD in place or not. While realistic prospects of REDD payments may push forward in time the point where reforms are considered favourable, we argue that Ghana is yet to reach that point. A more likely scenario is preference for status quo, i.e. no or limited reforms, and negotiation of a favourable baseline that would generate REDD payments for what is essentially »hot air«.

Class	Cause of deforestation and forest degradation
Macro-economic factors	<ul style="list-style-type: none"> International demand for cocoa, timber and minerals High per-capita growth rate Corporate tax rebates and holidays to export firms
Demographic factors	<ul style="list-style-type: none"> Population growth Urbanisation
Technological factors	<ul style="list-style-type: none"> New low-shade cocoa varieties New mining technologies (surface mining) Improved rotary veneering techniques
Forest governance factors	<ul style="list-style-type: none"> Low enforcement of harvesting rules Low enforcement of rules protecting farmers' rights Low forest fees A biased timber rights allocation/ban on chainsaw lumbering Log export ban A biased benefit sharing arrangement

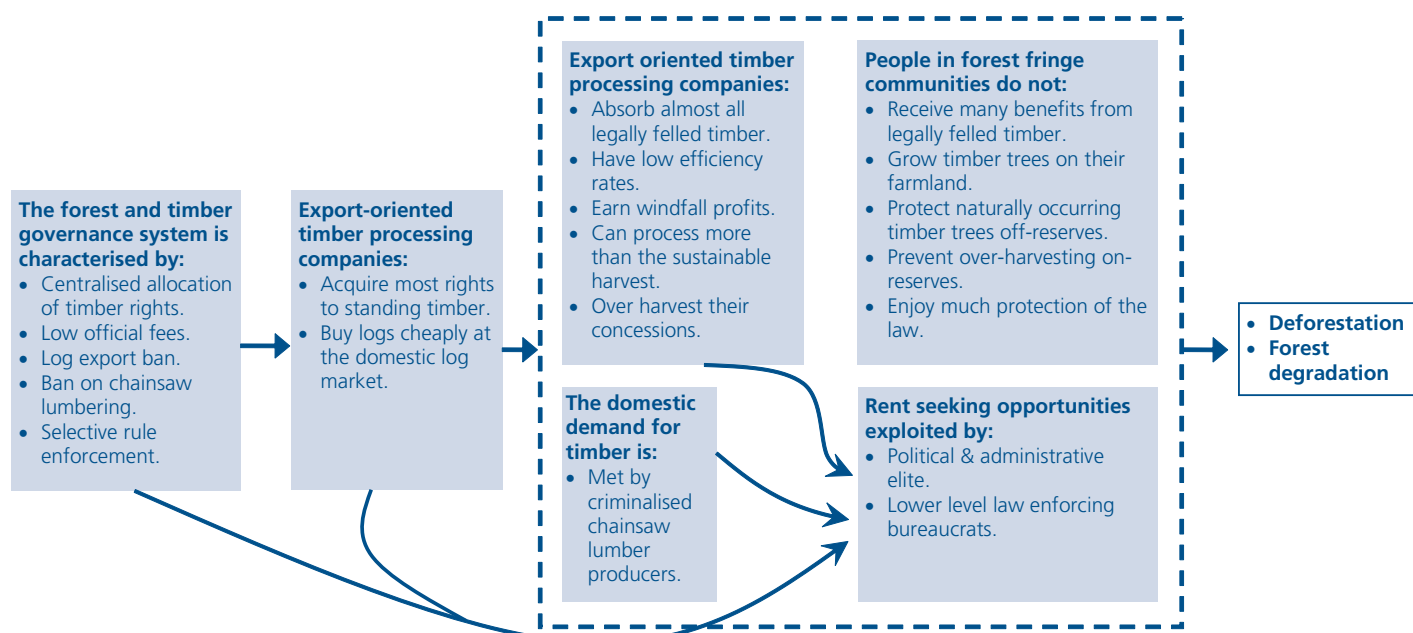
Table 1. Underlying causes of deforestation and forest degradation in Ghana's High Forest Zone.

Conclusions

The key features of the political timber economy in Ghana are centrally controlled, discretionary allocation of timber rights and administratively set forest fees, which in various ways leads to deforestation and forest degradation. Many developing countries with tropical natural high forest share these basic features, which suggest that the Ghana case is not unique, and that other developing countries may face similar challenges in REDD implementation.

Methodologically, we emphasise the need for in-depth national level analysis of underlying causes of deforestation and

Figure 1. The political timber economy in Ghana. Horizontal straight arrows signify the sequence of governance effects that lead to deforestation and forest degradation while curved arrows signify associated, unofficial cash flows.





forest degradation including why these causes have emerged and whose interests they serve. Essentially, this means an analysis of the political economy of deforestation and forest degradation. We recommend that such analyses be carried out at the initial stage of national REDD programmes, e.g. those carried out under UN-REDD or the World Bank's Forest Carbon Partnership Facility.

It follows from our analysis that we are sceptical as to how fast and easy it will be to implement REDD in a country like Ghana. This should, however, not be interpreted as an argument for doing nothing. What we warn against are reforms pushed and financed by donors with their usual eagerness to show quick results. Such attempts are doomed to fail just like donor-driven attempts to reform forest fees, timber rights allocation and harvesting regulations. But there are other things that donors can do. Based on detailed studies of underlying causes of deforestation and forest degradation, facilitation and support to a broad based policy debate, especially the participation and voice of segments of civil society (e.g.

NGOs, advocacy groups, farmers' associations) may assist in tipping the political balance in favour of reforms. This could be complemented by pilot activities to demonstrate and gain experiences on issues of relevance to the success of REDD.

To learn more about the study please refer to C.P. Hansen, J.F. Lund and T. Treue (2009).

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Reference

C.P. Hansen, J.F. Lund and T. Treue, 2009. Neither fast, nor easy. The prospect of Reducing Emissions from Deforestation and Degradation (REDD) in Ghana. *International Forestry Review* Vol. 11 (4): 439-455.

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This brief is an output produced under the Performance Contract between the Danish Centre for Forest, Landscape and Planning (FLD), University of Copenhagen and the Danish Ministry of Foreign Affairs (Danida).